

CITY OF MIAMI BEACH
Office of the City Manager
Letter to Commission No. _____



To: Mayor David Dermer and
Members of the City Commission

Date: March 11, 2004

From: Jorge M. Gonzalez
City Manager

A handwritten signature in black ink, appearing to read "Jorge", written over the printed name.

**Subject: SECOND AMENDMENT TO THE INTERLOCAL COOPERATION
AGREEMENT DATED JUNE 21, 1996 BETWEEN MIAMI-DADE COUNTY AND
THE CITY OF MIAMI BEACH**

Attached please find an agenda item concerning the Convention Development Tax and the proposed Second Amendment to the Interlocal Cooperation Agreement dated June 21, 1996 between Miami-Dade County and the City of Miami Beach that was considered and approved by the Miami-Dade County Budget and Finance Committee today. This Agreement will be considered by the Board of County Commissioners next Tuesday, March 16, 2004 at the County Commission meeting. Concurrently, I have placed a discussion item regarding this agreement on the March 17, 2004 City Commission agenda.

JMG^{huc}CMC\rar

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c: Murray H. Dubbin, City Attorney



MEMORANDUM

TO: Honorable Chairperson Barbara Carey-Shuler, Ed. D. and Members, Board of County Commissioners

DATE:

SUBJECT: Second Amendment to Miami Beach Interlocal Agreement

FROM: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to be "G. Burgess", written over the printed name of George M. Burgess.

Recommendation

It is recommended that the Board adopt a resolution approving, in substantially the form attached to the resolution, the Second Amendment to the 1996 Interlocal Agreement with the City of Miami Beach and authoring e its execution and delivery following approval by the County Attorney's Office.

Background

The Convention Development Tax (CDT) is a three percent tax imposed on transient rentals. The CDT was approved, in part, to recognize the importance to the local economy of the continued maintenance, improvement, and expansion of the Miami Beach Convention Center. In accordance with state law, two-thirds of the CDT revenue was used initially for the extension, enlargement and improvement of the Miami Beach Convention Center. Upon the completion of such improvements, the two-thirds portion of the CDT revenue may be used for other qualified projects throughout the County which has been the case since the initial financing for the Convention Center in 1987. The one-third portion of the CDT revenues was limited by the state law to use in the City of Miami. The one-third share of the CDT for use in the City of Miami was used for the Miami Arena initially and subsequently for various projects, including support for the American Airlines Arena and for the Performing Arts Center. In 1996, the Board approved an Interlocal Agreement with the City of Miami Beach, which clarified that the County could allocate the CDT receipts for eligible projects, in particular, for support of the Convention Center and the Performing Arts Center.

In April, 2001, the Interlocal Agreement was amended to provide for certain payments to Miami Beach including a one-time, CDT-backed \$15 million payment for Convention Center-related projects (to be made from CDT-backed financing proceeds or available CDT funds on December 1, 2003), annual CDT payments of \$4.5 million for operating costs associated with the Convention Center, additional annual payments from available residual CDT Receipts (Residual CDT Receipts Payments), annual payments through 2020 following the termination of the South Pointe Community Redevelopment Agency, and a possible \$50 million payment depending on the pledging of revenues to a baseball stadium. In return, the City agreed to the termination of

the South Pointe Community Redevelopment Agency (CRA) in 2005 as well as other provisions, such as a \$2 million payment for books and materials at the new Miami Beach Regional Library.

Subsequent to the approval of the First Amendment to the 1996 Interlocal Agreement, the terrorist attacks on September 11, 2001, and the downturn of the economy seriously reduced tourist tax collections, and collections of the CDT in particular. As a result, the City has not received any of the Residual CDT Receipts Payments envisioned in the First Amendment. In fact, even assuming the CDT grows at an annual rate of seven percent, the Residual CDT Receipts Payments to the City will not begin until approximately 2022. This loss of revenue affects the City's plans for the expansion and operation of the Convention Center.

In addition, the financing for the Performing Arts Center planned for the Fall of 2003 has been re-scheduled for 2004 because of construction delays that slowed the expenditure of funds on-hand. Because of the reduced CDT revenue collections, there were no funds available to make the \$15 million payment due December 1, 2003. The County Attorney's Office indicated that the language in the First Amendment to the 1996 Interlocal Agreement limited the County's obligation to make such payment to available CDT Receipts.

On November 4, 2003, the County Commission approved the pledge of \$35 million in CDT backed revenues to a new baseball stadium. As a result of that pledge, the \$50 million CDT grant envisioned by the City to expand the Convention Center was negated. At the same time, the Board raised concerns regarding the loss of support for the Convention Center projects and provided that the CDT funding for those projects would be replaced if an agreement for funding the baseball stadium were not finalized. Considering the importance to the community of the Convention Center, I began meetings with the City Manager to develop a Second Amendment to the 1996 Interlocal Agreement that would address all the changes that have occurred since the approval of the First Amendment to the 1996 Interlocal Agreement.

No agreement was reached by February 4, 2004, at which time, the City Commission voted to authorize conflict resolution procedures as required by the state regarding the payment of the \$15 million that was to have been paid on December 1, if funds had been available. The first mediation meeting was held on February 27. At the meeting, it was explained that the planned Convention Center Expansion Project was projected to cost in excess of \$50 million, probably in the range of \$55 million to \$60 million. It was agreed that attorneys from the City and County would meet regarding the legal issues surrounding the use of the two-thirds share of the CDT and the debt service and other contractual obligations on CDT revenues. At the same time, City of Miami Beach Manager Jorge Gonzalez and I continued to discuss a compromise agreement that would be fair to both parties and would recognize both the reduction in CDT Receipts and the importance of the Convention Center projects.

As a result of those meetings, the City Manager and I have agreed upon the following provisions:

1. The City will withdraw the pending claim processed under Chapter 164 of the Florida Statutes regarding the \$15 million payment.
2. The County will pay to the City the \$15 million payment that was to have been made on December 1, 2003, (if funds had been available) within 10 days of the effective date of the amendment. The source of the funds will be an advance to be reimbursed

from a subsequent CDT-backed financing; in particular the financing that is projected to be required this year to continue construction of the Performing Arts Center and the Neighborhood Cultural Facilities, including the South Miami-Dade Cultural Center, the Coconut Grove Playhouse renovations, the Caribbean Market Place, the Lyric Theater, and the Civil Rights Museum.

3. The \$50 million CDT obligation to the City would be eliminated from the First Amended Interlocal Agreement, regardless of the results of negotiations regarding a baseball stadium. Although the pledge of \$35 million for the baseball stadium backed by CDT revenues is the maximum projected to be available for such a purpose at this time, future residual revenues and receipts above those currently projected could address other projects such as any increased costs associated with the construction of the Performing Arts Center or operating support for the Performing Arts Center and other museums. In the event that the baseball stadium project does not go forward, the \$50 million commitment to the City could affect CDT support of those other projects. The requirement in the First Amendment to the 1996 Interlocal Agreement that the City of Miami Beach support initiatives related to the financing and development of a baseball stadium is also eliminated.
4. A \$55 million Convention Center Expansion Project would be included in the general obligation bond issue to be considered by the voters in the fall. That project funding would replace the CDT obligation if successful.
5. In the event that the Convention Center Expansion Project is approved as part of the general obligation bond issue, the current payment schedule replacing the South Pointe CRA Tax Increment Payment would be increased from the current payment schedule (the equivalent of a 75 percent payment of the tax increment through 2016 and a fifty percent payment of the tax increment through 2020) to the equivalent of 95 percent payment of the tax increment until a total of \$45 million more than required under the First Amendment to the 1996 Interlocal Agreement is paid to the City from non-ad valorem County sources or until September 30, 2017, whichever comes first. Once the additional payments reach \$45 million, or in 2018, the payment schedule would revert to that in the First Amendment to the 1996 Interlocal Agreement. The City could use the additional payments for any needs identified by the City, which needs are eligible uses for CDT or Municipal Tourist Resort Tax receipts. The additional payments would partially offset the loss of the annual CDT payments anticipated by the City in the First Amendment to the 1996 Interlocal Agreement.
6. In the event that the \$55 million Convention Center Expansion Project is NOT approved as part of a general obligation bond issue in November, 2004, then the current payment schedule replacing the South Pointe CRA Tax Increment Payment would be increased to the equivalent of 95 percent of the tax increment until a total of \$55 million more than required under the First Amendment to the 1996 Interlocal Agreement is paid to the City from non-ad valorem County sources. The City would be required to use those additional funds for the planned Convention Center Expansion Project. It is projected that the additional payments would be made through 2018, depending on the growth in the assessed values in the South Pointe area. Once the additional payments reach the level of \$55 million, the replacement payments for the South Pointe CRA would revert to the schedule in the First

- Amendment to the 1996 Interlocal Agreement. Any additional funding required for the project or for project financing would be the responsibility of the City.
7. The payments to the City made as described in points 5 and 6, above, may be pledged by the City as security to fund capital costs, and the County agrees to cooperate with the City.
 8. All other provisions of the existing Interlocal Agreement, as amended in 1996, will remain, including the requirement that the City pay \$2 million to reimburse the County Library System for books and materials at the Miami Beach Library.
 9. The Termination Date of the Interlocal Agreement is changed, regardless of any agreement concerning a baseball stadium, to the latest of (a) September 30, 2040, (b) the latest expiration of any agreement providing for the pledge of CDT Receipts for the Performing Arts Center, and (c) the latest expiration of any agreement providing for the pledge of CDT Receipts for a baseball stadium.

In addition to the points identified above, the City Manager and I have agreed to amend the interlocal agreements with the City's Community Redevelopment Agency (CRA) to address the refinancing of certain existing debt as requested by the CRA and to address the payment to the County to offset costs associated with the administration of redevelopment agencies. Those agreements will be presented to the Board for consideration at a future meeting.

While the business points of the Second Amendment have been agreed to, the final document is still under review, and some technical adjustments may be made. It is recommended that the Board approve the business points identified above and the attached agreement with the exact wording of the final agreement may be modified. It is recommended that I be given the authority to execute the final agreement when it is acceptable to the County Attorney unless there are substantial changes, in which case Board approval would be required.

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No.

RESOLUTION NO. _____

RESOLUTION APPROVING SECOND AMENDMENT TO
INTERLOCAL COOPERATION AGREEMENT DATED JUNE
21, 1996 BETWEEN MIAMI-DADE COUNTY AND THE CITY
OF MIAMI BEACH AND AUTHORIZING COUNTY
MANAGER TO EXECUTE AND DELIVER SAID
AMENDMENT UPON COUNTY ATTORNEY'S APPROVAL
OF ANY MODIFICATIONS

WHEREAS, this Board desires to accomplish the purposes outlined in the
accompanying memorandum, a copy of which is incorporated in this resolution by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY
COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA that the Second Amendment
to the Interlocal Cooperation Agreement dated June 21, 1996 between Miami-Dade County
and the City of Miami Beach in substantially the form attached as Exhibit "A" to this
resolution is approved and the County Manager is authorized to execute and deliver the
Second Amendment upon approval of any modifications by the Office of the County
Attorney.


The foregoing resolution was offered by Commissioner _____, who
moved its adoption. The motion was seconded by Commissioner _____ and
upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson	
Katy Sorenson, Vice-Chairperson	
Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorin D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this day of _____, 2004. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by the County Attorney as
to form and legal sufficiency. 

By: _____
Deputy Clerk

RESO/00404

SECOND AMENDMENT TO
THE INTERLOCAL COOPERATION AGREEMENT
DATED JUNE 21, 1996
BETWEEN MIAMI-DADE COUNTY AND
THE CITY OF MIAMI BEACH

This Second Amendment (the "Amendment") to the 1996 Interlocal as hereinafter defined, as amended by the First Amendment and Addendum as each are hereinafter defined, made this _____ day of _____, 2004 by and between Miami-Dade County, a political subdivision of the State of Florida (the "County") and the City of Miami Beach, a municipal corporation organized under the laws of the State of Florida (the "City" or "CMB").

- A. The Parties have previously executed an Interlocal Cooperation Agreement dated June 21, 1996 (the "1996 Interlocal") providing for the allocation of Convention Development Tax (CDT) receipts which 1996 Interlocal was amended by Amendment One to the 1996 Interlocal dated April 24, 2001, by and between the City and the County (the "First Amendment") and the Addendum to Amendment One to the 1996 Interlocal on May 22, 2001 pursuant to Resolution No. R-563-01. The 1996 Interlocal as amended by the First Amendment and the Addendum shall be referred to herein as the Amended 1996 Interlocal. The Parties acknowledge and agree that the Amended 1996 Interlocal remains in full force and effect, as amended by this Amendment.
- B. To the extent that the terms and provisions of the 1996 Interlocal are not expressly amended herein, such other terms and provisions shall be deemed to be in full force and effect, except that in the event of conflict between the Amended 1996 Interlocal and this Amendment, the provisions of this Amendment shall prevail. All capitalized terms contained in this Amendment which are not defined in this Amendment shall have the respective meanings ascribed to them in the Amended 1996 Interlocal.
- C. The definition of "Termination Date" is hereby deleted and replaced with the following:

"Termination Date" shall mean the latest of (a) September 30, 2040, (b) the latest expiration of any agreement providing for the pledge of CDT Receipts for the Performing Arts Center, or (c) the latest expiration of any agreement providing for the pledge of CDT Receipts for a baseball stadium.
- D. Paragraph C of the First Amendment is hereby deleted in its entirety.
- E. Section I.D.3 of the Amended 1996 Interlocal is hereby deleted in its entirety and replaced with the following:
 - 3. A net capital contribution of \$15.0 million to be remitted to the City within ten days of the effective date of this Amendment (Remittance Date). These funds shall be used for Convention Center Complex Area Projects to the extent such projects are

eligible for CDT funding pursuant to state law. To the extent the Two-Thirds Portion of the CDT Receipts available on such Remittance Date is less than \$15.0 million, the County Manager shall remit on the Remittance Date to the City as an advance the balance due from non-ad valorem general fund revenues. Notwithstanding the foregoing, the County shall reimburse itself for the advance of such funds upon a subsequent issuance by the County of bonds that are secured by a first lien on CDT Receipts.

- F. Section I.D. 4 of the Amended 1996 Interlocal is hereby deleted in its entirety and replaced with the following.

4.(a) The following payments¹:

2001 - 25% of CDT Receipts received by the County in Fiscal Year 2001 in excess of \$31,522,748
 2002 - 25% of CDT Receipts received by the County in Fiscal Year 2002 in excess of \$33,729,341
 2003 - 25% of CDT Receipts received by the County in Fiscal Year 2003 in excess of \$36,090,395
 2004 - 25% of CDT Receipts received by the County in Fiscal Year 2004 in excess of \$38,616,722
 2005 - 100% of CDT Receipts received by the County in Fiscal Year 2005 greater than \$40,547,558 but less than \$41,536,146
 2006 - 90% of CDT Receipts received by the County in Fiscal Year 2006 greater than \$42,574,936 but less than \$44,676,279
 2007 - 80% of CDT Receipts received by the County in Fiscal Year 2007 greater than \$44,703,683 but less than \$48,053,806
 2008 - 70% of CDT Receipts received by the County in Fiscal Year 2008 greater than \$46,938,867 but less than \$51,686,674
 2009 - 60% of CDT Receipts received by the County in Fiscal Year 2009 greater than \$49,285,811 but less than \$55,594,186
 2010 - 50% of CDT Receipts received by the County in Fiscal Year 2010 greater than \$51,750,101 but less than \$59,797,107
 2011 - 50% of CDT Receipts received by the County in Fiscal Year 2011 greater than \$54,337,606 but less than \$64,317,768
 2012 - 50% of CDT Receipts received by the County in Fiscal Year 2012 greater than \$57,054,487 but less than \$69,180,191
 2013 - 50% of CDT Receipts received by the County in Fiscal Year 2013 greater than \$59,907,211 but less than \$74,410,214
 2014 - 50% of CDT Receipts received by the County in Fiscal Year 2014 greater than \$62,902,571 but less than \$80,035,626
 2015 - 50% of CDT Receipts received by the County in Fiscal Year 2015 greater than \$66,047,700 but less than \$86,086,319
 2016 - 50% of CDT Receipts received by the County in Fiscal Year 2016 greater than \$69,350,085 but less than \$92,594,445
 2017 - 50% of CDT Receipts received by the County in Fiscal Year 2017 greater than \$72,817,589 but less than \$99,594,585
 2018 - 50% of CDT Receipts received by the County in Fiscal Year 2018 greater than \$76,458,469 but less than \$107,123,935
 2019 - 50% of CDT Receipts received by the County in Fiscal Year 2019 greater than \$80,281,392 but less than \$115,222,505
 2020 - 50% of CDT Receipts received by the County in Fiscal Year 2020 greater than \$84,295,462 but less than \$123,933,326
 2021 - 50% of CDT Receipts received by the County in Fiscal Year 2021 greater than \$88,510,235 but less than \$133,302,687
 2022 - 50% of CDT Receipts received by the County in Fiscal Year 2022 greater than \$92,935,747 but less than \$143,380,370
 2023 - 50% of CDT Receipts received by the County in Fiscal Year 2023 greater than \$97,582,534 but less than \$154,219,926
 2024 - 50% of CDT Receipts received by the County in Fiscal Year 2024 greater than \$102,461,661 but less than \$165,878,952
 2025 - 50% of CDT Receipts received by the County in Fiscal Year 2025 greater than \$107,584,744 but less than \$178,419,400
 2026 - 50% of CDT Receipts received by the County in Fiscal Year 2026 greater than \$112,963,981 but less than \$191,907,907
 2027 - 50% of CDT Receipts received by the County in Fiscal Year 2027 greater than \$118,612,180 but less than \$206,416,145
 2028 - 50% of CDT Receipts received by the County in Fiscal Year 2028 greater than \$124,542,789 but less than \$222,021,205
 2029 - 50% of CDT Receipts received by the County in Fiscal Year 2029 greater than \$130,769,928 but less than \$238,806,008
 2030 - 50% of CDT Receipts received by the County in Fiscal Year 2030 greater than \$137,308,425 but less than \$256,859,742
 2031 - 50% of CDT Receipts received by the County in Fiscal Year 2031 greater than \$144,173,846 but less than \$276,278,339
 2032 - 50% of CDT Receipts received by the County in Fiscal Year 2032 greater than \$151,382,538 but less than \$297,164,981
 2033 - 50% of CDT Receipts received by the County in Fiscal Year 2033 greater than \$158,951,665 but less than \$319,630,654
 2034 - 50% of CDT Receipts received by the County in Fiscal Year 2034 greater than \$166,899,248 but less than \$343,794,731
 2035 - 50% of CDT Receipts received by the County in Fiscal Year 2035 greater than \$175,244,211 but less than \$369,785,613
 2036 - 50% of CDT Receipts received by the County in Fiscal Year 2036 greater than \$184,006,421 but less than \$397,741,405
 2037 - 50% of CDT Receipts received by the County in Fiscal Year 2037 greater than \$193,206,742 but less than \$427,810,655
 2038 - 50% of CDT Receipts received by the County in Fiscal Year 2038 greater than \$202,867,080 but less than \$460,153,141
 2039 - 50% of CDT Receipts received by the County in Fiscal Year 2039 greater than \$213,010,433 but less than \$494,940,718
 2040 - 50% of CDT Receipts received by the County in Fiscal Year 2040 greater than \$223,660,955 but less than \$532,358,236

¹All years listed above are fiscal years ending September 30; all CDT Receipts are based on Current CDT Rate.

To the extent the Termination Date is later than September 30, 2040, the City will continue to receive an allocation of 50% of CDT Receipts calculated based upon the Current CDT Rate and the formula established in the aforementioned schedule, which represents County growth estimates of annual CDT Receipts based upon the Current CDT Rate between 5% and a cap of 7.56% growth. The county shall receive 100% of any annual CDT Receipts in excess of the 7.56% annual growth figure based on the Current CDT Rate.

(b) Annual payments to the City as listed in Section I.D. 4.(a) above shall be capped at \$50 million, provided, however, that beginning in Fiscal Year ending September 30, 2030, the \$50 million cap shall escalate annually at the lesser of three percent (3%) or the Consumer Price Index for All Urban Consumers for the United States, all items, index base period 1982-84=100 (commonly referred to as CPI-U), as published periodically by the United States Bureau of Labor Statistics. These payments to the City shall be used for Convention Center Complex Area projects to the extent such projects are eligible for CDT funding pursuant to state law. To the extent that the City determines funds are not needed for the Convention Center Complex Area projects, the funds may be used for other projects eligible for CDT funds under State law. The County shall have ninety (90) days after the close of the County's fiscal year to make its remittance to the City.

- G. Section I.D.5. of the Amended 1996 Interlocal is hereby deleted in its entirety.
- H. It is expected the County will place on the November 2004 ballot a General Obligation Bond (GOB) Program for voter consideration to fund major infrastructure and capital improvements. If a GOB issue is placed on that ballot, the County will include in that GOB program funding to be paid to the City of Miami Beach for a project related to the expansion or enhancement of the Miami Beach Convention Center. The amount of funding allocated to such a project in the GOB program shall be \$55 million. The City will not be precluded from requesting funding in any future County general obligation bond program regardless of the results of any November 2004 bond referendum or by any provision of this agreement.
- I. Section IV. A. of the Amended 1996 Interlocal is amended to include a new subparagraph 4 and to renumber the existing subparagraph 4 and all subsequent paragraphs as follows:

IV. MUTUAL OBLIGATIONS AND RESPONSIBILITIES

A. ANNUAL PAYMENT

- 4. (i) In the event that the project related to the expansion or enhancement of the Miami Beach Convention Center is approved by the voters as part of the November, 2004, GOB Program, commencing October 1, 2005, the County shall annually appropriate and remit to the City no later than January 1 of the following year an amount equivalent to twenty percent (20%) of the difference between (a) the amount of general Countywide operating ad valorem taxes levied each year by the County, exclusive of any amount from any debt service millage, on the assessed value of the taxable real property contained within the geographic boundaries specifically described in Exhibit A to this Amendment and (b) the amount of general Countywide operating ad valorem

taxes which would have been produced by the rate upon which the tax is levied each year by the County, exclusive of any debt service millage, upon the total of the assessed value of the taxable real property in the geographic area specifically described in Exhibit A for the tax year 1976. Such annual payments shall continue until September 30, 2016. In the year 2017, the payment amount shall be forty-five percent (45%) of the difference between (a) the amount of general Countywide operating ad valorem taxes levied each year by the County, exclusive of any amount from any debt service millage, on the assessed value of the taxable real property contained within the geographic boundaries specifically described in Exhibit A to this Amendment and (b) the amount of general Countywide operating ad valorem taxes which would have been produced by the rate upon which the tax is levied each year by the County, exclusive of any debt service millage, upon the total of the assessed value of the taxable real property in the geographic area specifically described in Exhibit A for the tax year 1976. The payments under this subparagraph 4(i) shall end the earlier of September 30, 2017, or when the total amount remitted by the County to the City under this subparagraph 4(i) reaches \$45 million. The total amount remitted by the County to the City pursuant to this subparagraph 4(i) shall be expended by the City for any need identified by the City, which need would be an eligible use for CDT or Municipal Tourist Resort Tax receipts and all, or any, of the payments made under this subparagraph 4(i) may be pledged by the City as security for any indebtedness incurred by the City to fund any capital costs. The payments in this subparagraph 4(i) are in addition to the GOB Program bond proceeds identified in paragraph H above.

- (ii) In the event there is no GOB Program placed on the November, 2004, ballot or in the event that the project related to the expansion or enhancement of the Miami Beach Convention Center is NOT approved by the voters as part of the November, 2004, GOB Program, commencing October 1, 2005, the County shall annually appropriate and remit to the City no later than January 1 of the following year an amount equivalent to twenty percent (20%) of the difference between (a) the amount of general Countywide operating ad valorem taxes levied each year by the County, exclusive of any amount from any debt service millage, on the assessed value of the taxable real property contained within the geographic boundaries specifically described in Exhibit A to this Amendment and (b) the amount of general Countywide operating ad valorem taxes which would have been produced by the rate upon which the tax is levied each year by the County, exclusive of any debt service millage, upon the total of the assessed value of the taxable real property in the geographic area specifically described in Exhibit A for the tax year 1976. Such annual payments shall continue through September 30, 2016, at which time payment amount shall increase to forty-five percent (45%) of the difference between (a) the amount of general Countywide operating ad valorem taxes levied each year by the County, exclusive of any amount from any debt service millage, on the assessed value of the taxable real property contained within the geographic boundaries specifically described in Exhibit A to this Amendment and (b) the amount of general Countywide operating ad

valorem taxes which would have been produced by the rate upon which the tax is levied each year by the County, exclusive of any debt service millage, upon the total of the assessed value of the taxable real property in the geographic area specifically described in Exhibit A for the tax year 1976. The payments under this subparagraph 4(ii) shall continue until the total of such payments reaches \$55 million. The total amount remitted by the County to the City pursuant to this subparagraph 4(ii) shall be expended by the City solely for capital costs for the expansion or enhancement of the Miami Beach Convention Center, and all, or any, of the payments made under this subparagraph 4(ii) may be pledged by the City as security for any indebtedness incurred by the City to fund any such capital costs.

- (iii) In connection with any pledge by the City of the payments to be received from the County pursuant to subparagraphs 4(i) and 4(ii) above, the County shall cooperate with the City.

Subparagraph 4 becomes subparagraph 5

Subparagraph 5 becomes subparagraph 6

Subparagraph 6 becomes subparagraph 7

Subparagraph 7 becomes subparagraph 8

Subparagraph 8 becomes subparagraph 9

Subparagraph 9 becomes subparagraph 10

J. Section IV. A. 8 and 9 of the Amended 1996 Interlocal are amended to read:

- 8. It is understood and agreed that the amounts payable by the County under sections IV.A. 2., 3., 4., and 5. above, are calculated by reference to certain ad valorem tax collections, but said payments shall be paid solely from non-ad valorem revenues of the County, and the obligation of the County to make such payments shall not create any debt, liability, obligation, or pledge of the taxing power, on the part of the County that would require said payments to be subject to referendum.
- 9. The provisions of this Section IV. A(1) through (8) shall survive the termination of this Amendment, the First Amendment to the 1996 Interlocal, and the 1996 Interlocal, regardless of the reason for such termination.

K. Section VI. of the Amended 1996 Interlocal is amended to read as follows :

VI. Entire Agreement. This Amendment and the Amended 1996 Interlocal constitute the sole and only agreement of the Parties with respect to the Two-Thirds Portion of the CDT Receipts and correctly sets forth the rights, duties and obligations of each to

the other as of its date. Any prior agreements, promises, negotiations, or representations not expressly set forth in the Amended 1996 Interlocal and this Amendment are of no force and effect.

- K. Upon adoption of this Second Amendment to the Interlocal Agreement, the pending claim of the City processed under Chapter 164 Florida Statute shall be withdrawn, and the parties agree that this instrument represents the understanding under which the Parties shall proceed in accordance with its terms.

Jorge M. Gonzalez
City Manager
City of Miami Beach

George M. Burgess
County Manager
Miami-Dade County

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

City Attorney

Assistant County Attorney

City Clerk

Clerk of the Board